

MEYNER AND LANDIS

0100248655

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(1908-1990)

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***MEMBER N.J., PA. AND D.C. BARS

May 25, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
No. Z692 260 869

RECORDATION NO. 18829 FILED 1425

JUN 1 1994 - 3 05 PM

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

ATTN: Mildred Lee, Mortgage Recordation

Dear Secretary:

We have enclosed an original and one copy (with certification of filer) of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U. S. Code.

This document is a mortgage (primary document) dated May 18, 1994. The names and addresses of the parties to documents are as follows:

Mortgagor:

The Steam Locomotive Corporation of America
1 Railroad Avenue
Lebanon, New Jersey 08833

Mortgagee:

Alberta P. Reath
614 Scotch Road
Pennington, New Jersey 08534

A description of the equipment covered by the document follows:

1. One (1) Conneaut (shop tool) Railroad Car
A.A.R.# ACE007
Name of Manufacturer: Pullman Standard
Year of Manufacture: 1928
2. One (1) Roanoke (crew dormitory) Railroad Car
A.A.R.# ACE011
Name of Manufacturer: American Car & Foundry
Year of Manufacture: 1936

Secretary
Interstate Commerce Commission
May 24, 1994
Page 3

A fee of \$18.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Anthony F. Siliato, Esq.
Meyner and Landis
One Gateway Center
Newark, New Jersey 07102

A short summary of the document to appear in the index follows:

Mortgage between the Steam Locomotive Corporation of America, Mortgagor, 1 Railroad Avenue, Lebanon, New Jersey 08833, and Alberta P. Reath, Mortgagee, 614 Scotch Road, Pennington, N. J. 08534.

Very truly yours,

MEYNER AND LANDIS


Anthony F. Siliato

AFS:mm
Enclosure

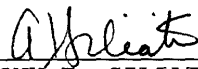
cc: Ross E. Rowland, Jr.
Alberta P. Reath
Richard Belson, Esq.

CERTIFICATION

1. I certify that I am a member of the law firm of Meyner and Landis, attorneys for STEAM LOCOMOTIVE CORPORATION OF AMERICA, INC.

2. I have compared the copy of the attached Mortgage between The Steam Locomotive Corporation of America, Inc. as Mortgagor, and Alberta P. Reath, as Mortgagee, dated May 18, 1994, with the original and find the copy to be complete and identical in all respects to the original document.

3. The foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false I am subject to punishment.



ANTHONY F. SILIATO

Interstate Commerce Commission
Washington, D.C. 20423

6/3/94

OFFICE OF THE SECRETARY

Anthony F. Siliato, Esq
Mayner And Landis
One Gateway Center
Newark, New Jersey 07102

Dear sir:

The enclosed document(s) was recorded pursuant to the provisions
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,
on 6/1/94 at 3:05pm, and assigned
recording number(s). 18829

Sincerely yours,

Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

Prepared by:

RECORDATION NO. **18829** FILED 1425
JUN 1 1994 - 3 05 PM
INTERSTATE COMMERCE COMMISSION

Anthony F. Siliato

**RAILROAD CAR MORTGAGE
COVERING ONE (1) CONNEAUT (SHOP TOOL) RAILROAD CAR
AND ONE (1) ROANOKE (CREW DORMITORY) CAR**

THIS MORTGAGE made on and dated May 18, 1994 by

THE STEAM LOCOMOTIVE CORPORATION OF AMERICA,
INC., a corporation of the State of New Jersey
with its principal place of business at 1
Railroad Avenue, Lebanon, New Jersey 08833

(hereinafter referred to as the "Mortgagor"),

for the benefit of

ALBERTA P. REATH, an individual residing at
614 Scotch Road, Pennington, New Jersey 08534

(hereinafter referred to as the "Mortgagee"),

W I T N E S S E S T H A T :

(1) WHEREAS, Mortgagee has loaned Ross E. Rowland, Jr., an individual residing at 8 South Court, Clinton, New Jersey (the "Borrower") the sum of Sixty Four Thousand Two Hundred Ten and 85/100 and No/100 (\$64,210.85) Dollars, in the form of a \$64,210.85 demand loan (such demand loan and all extensions, modifications and renewals thereof being hereinafter referred to as the "Loan" in this Mortgage);

(2) WHEREAS, the obligation of Borrower to repay the Loan is evidenced by its certain demand note (such demand note and all extensions, modifications and renewals thereof being hereinafter referred to as the "Note" in this Mortgage);

(3) WHEREAS, as a condition to Mortgagee's not accelerating at this time the aforementioned Loan of \$64,210.85 to Borrower, that Mortgagor shall have executed that certain guaranty dated even date herewith (the "Guaranty") and that such Guaranty be in full force and effect;

(4) WHEREAS, the Guaranty is itself secured by this Mortgage on the Mortgaged Property described below;

(5) WHEREAS, the Note, the Guaranty, this Mortgage, and all of the other documents related thereto and all extensions, modifications and renewals of all the foregoing are hereinafter collectively referred to as "Loan Documents";

NOW, THEREFORE, (1) to secure the payment of Borrower's aforementioned indebtedness in the principal sum of Sixty Four Thousand Two Hundred Ten and 85/100 (\$64,210.85) Dollars, lawful money of the United States, due under the Note and the Loan, to be repaid with interest thereon as provided in the Note and (2) to secure the payment of all sums due under the Guaranty; and (3) to secure the performance of all obligations due under the Guaranty, the Mortgagor has given, granted, released, assigned, transferred and set over unto the Mortgagee and by these presents do give, grant, release, assign, transfer, and set over unto the Mortgagee, its successors and assigns forever, the following described property and rights:

Those certain railroad cars more particularly described in Schedule "A" attached hereto and made a part hereof.

TOGETHER without limitation all fixtures affixed to the same, or intended so to be, and also including all equipment and improvements now in, upon, or which may hereafter be installed or placed in or upon the same, adapted to or necessary for the complete and comfortable use, enjoyment or occupancy thereof; and all proceeds of the above (all of the above being collectively known as the "Mortgaged Property"); and

PROVIDED, HOWEVER, that the lien of this mortgage shall not exceed \$32,000 with respect to the Conneaut (Shop Tool) Railroad Car and shall not exceed \$32,000 with respect to the Roanoke (Crew Dormitory) Railroad Car.

PROVIDED ALWAYS, and these presents are upon the express condition that if the Mortgagor shall well and truly pay or cause to be paid to the Mortgagee, the sum of money mentioned in the Note and the interest thereon, and perform or cause to be performed the obligations of the Mortgagor set forth in the Note, at the time or times and in the manner mentioned therein, according to the true intent and meaning thereof, then these presents shall cease and be void, anything herein contained to the contrary notwithstanding.

This Mortgage is the Mortgage referred to in the Note. That Note is hereby incorporated by reference as though fully set forth herein and made a part hereof and is on file for inspection at the offices of the Mortgagee.

MORTGAGOR REPRESENTS, WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

1. Mortgagor warrants that it is has lawful title to the Mortgaged Property and will warrant and forever defend the title thereof unto the said Mortgagee against all lawful claims whatsoever.

2. (a) Mortgagor will keep the Mortgaged Property, including fixtures and equipment in which Mortgagee has a security interest, insured against liability in an amount and on such terms as are acceptable and reasonably satisfactory to Mortgagee and against loss or damage by fire and other casualties in an amount reasonably satisfactory to Mortgagee.

(b) In the event the Mortgaged Property or any part thereof shall be damaged or destroyed the insurance proceeds shall be utilized by Mortgagor, at Mortgagor's option (i) to repair, remodel, alter and/or restore the Mortgaged Property to a condition reasonably satisfactory to the Mortgagee or (ii) to pay accrued interest and any other sums then due Mortgagee on the Note. Nothing herein shall in any way affect the lien of the Mortgage or the liability of any person responsible for the payment of the balance of the amounts due hereunder.

(c) Any monies released to Mortgagor or paid or applied on the cost of restoration, repair or alteration shall in no event be deemed a payment on the indebtedness hereby secured.

(d) Anything to the contrary herein contained notwithstanding, any proceeds paid over to the Mortgagee and not used for repair, restoration or rebuilding shall be applied to pay accrued interest and any other sums then due and owing to the Mortgagee on the Note, and any excess shall be paid over to Mortgagor.

3. Mortgagor shall have committed an Event of Mortgage Default upon the occurrence of any of the following:

(a) The occurrence of an Event of Default under the Note; or

(b) The Mortgagor's default in the due performance or observance of any of the covenants, agreements, terms or conditions contained in this Mortgage and the failure to remedy such default upon thirty (30) days written notice from Mortgagee.

4. Upon the occurrence of an Event of Mortgage Default, Mortgagee may take any or all of the following actions as well as any and all remedies provided for under the Note, at the same or at different times:

(a) Mortgagee may declare the entire amount of principal and interest and other money due under this Mortgage and the Note due and payable.

(b) Mortgagee, at its option, may foreclose this Mortgage, and upon the filing of a Complaint in Foreclosure, the Mortgagee shall be entitled to the appointment of a receiver of the rents of the Mortgaged Property.

5. No extension or indulgence granted to Mortgagor, and no alteration, change or modification of the Loan Documents consented or agreed to by Mortgagee and no other act or omission of Mortgagee, including the taking of additional security, the impairment of any security or the release of, any security, shall constitute a release of the lien and obligation of this Mortgage or be interposed as a defense against the enforcement of this Mortgage. This Mortgage may not be changed orally or by any course of dealing between Mortgagor and Mortgagee, but only by an agreement in writing duly executed on behalf of the party against whom enforcement of any waiver, change, modification, or discharge is sought.

6. If at any time Mortgagee shall deem or shall be advised that any further instruments, documents or acts or things are necessary or desirable to vest or confirm any right or remedy herein granted, Mortgagor will execute, acknowledge when appropriate and deliver any instrument or document and do or cause to be done any act or thing deemed necessary or desirable by Mortgagee for any such purposes.

7. Miscellaneous:

(a) The rights and remedies herein or in the Note expressed to be vested in or conferred upon the Mortgagee shall be cumulative and shall be in addition to and not in substitution for or in derogation of the rights and remedies conferred by any applicable law. The failure, at any one or more times, of the Mortgagee to assert the right to declare the principal indebtedness due or the granting of any extension or extensions of time of payment of the amounts due on the Note either to the maker or to any other person, or taking of other or additional security for the payment thereof, or releasing or impairing any security, releasing any guarantor or changing any of the terms of the within Mortgage or the Note or other obligations accompanying this Mortgage, or waiver of or failure to exercise any right under any covenant or stipulation herein contained shall not in any way affect or impair in any way the lien or priority of this Mortgage nor the rights of the Mortgagee hereunder nor operate as a release from any personal liability under any covenant or stipulation herein contained, nor

under any agreement assuming any obligation to pay money due under the Note or this Mortgage.

(b) Neither the acceptance of this Mortgage nor its enforcement whether by court action or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee in such order and manner as it may in its absolute discretion determine.

(c) All notices to be given hereunder shall be given by certified mail directed to the Mortgagor or to the Mortgagee at the addresses set forth in this Mortgage.

(d) All of the terms, covenants, provisions and conditions herein contained shall be for the benefit of, apply to, and bind the heirs, executors, administrators, successors, and assigns of the Mortgagor and Mortgagee, and the term "Mortgagor" shall also include any and all subsequent owners and successors in title of the Mortgaged Property.

(e) When such interpretation is appropriate, any word denoting gender used herein shall include all persons, natural or artificial, and words used in the singular shall include the plural.

8. Mortgagor will not sell, transfer, or assign, and will not permit the sale, transfer or assignment, voluntarily or by operation of law, all or any interest in the Mortgaged Property without the prior written consent of Mortgagee.

THE MORTGAGOR HEREBY DECLARES AND ACKNOWLEDGES THAT THE MORTGAGOR HAS RECEIVED, WITHOUT CHARGE, A TRUE COPY OF THIS MORTGAGE.

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be executed by its duly authorized corporate officers on the day and year first above written.

ATTEST:

THE STEAM LOCOMOTIVE CORPORATION
OF AMERICA, INC.

Margaret Kosman
Secretary

By: Ross E. Rowland, Jr.
Ross E. Rowland, Jr.,
Chairman

ACKNOWLEDGMENT

STATE OF NEW JERSEY)
) SS.:
COUNTY OF Hunterdon)

BE IT KNOWN, That on May 18th, 1994, before me, the subscriber, personally appeared Ross E. Rowland Jr., who, being by me duly sworn on his oath, deposes and makes proof to my satisfaction, that he is the Chairman of THE STEAM LOCOMOTIVE CORPORATION OF AMERICA, INC. (the "Mortgagor" named in the within Instrument); that the execution, as well as the making of the within Instrument, has been duly authorized by a proper resolution of the Board of Directors of the Mortgagor, that deponent well knows the seal of the Mortgagor; that the seal affixed to the within Instrument is the proper seal; and that the within Instrument was signed and delivered by said Chairman as and for the voluntary act and deed of the Mortgagor.



PATRICIA J. SMITH
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 20, 1996

SCHEDULE A

Description of Mortgaged Property

1. One (1) Conneaut (Shop Tool) Railroad Car,
A.A.R. #ACE007,
Name of Manufacturer: Pullman Standard
Year of Manufacture: 1928
2. One (1) Roanoke (Crew Dormitory) Railroad Car
A.A.R. #ACE 011
Name of Manufacturer: American Car & Foundry
Year of Manufacture: 1936

THE STEAM LOCOMOTIVE CORPORATION
OF AMERICA, INC.,

Mortgagor,

- To -

ALBERTA P. REATH

Mortgagee.

DATED: May 18, 1994

RECORD AND RETURN TO:

MEYNER AND LANDIS
ONE GATEWAY CENTER, SUITE 2500
NEWARK, NEW JERSEY 07102
ATTENTION: ANTHONY F. SILIATO, ESQ.